

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC**

In the Matter of:

Request for Review of the)	
Decision of the)	
Universal Service Administrator by)	
)	CC Docket No: 02-6
JDL Technologies)	
SPIN Number: 143004549)	SLD File No.: 426832
)	
Schools and Libraries Universal Service)	
Support Mechanism)	

REQUEST FOR REVIEW AND WAIVER

INTRODUCTION

Section 54.719(c) of the Commission’s rules provides that any person aggrieved by an action taken by a division of the Universal Service Administrative Company (“USAC”) may seek review from the Commission.¹ JDL Technologies (“JDL”) hereby appeals the current action taken by USAC in the following case. JDL is joined in this appeal by the Virgin Islands Department of Education (“Virgin Islands”), the Applicant for the Application under appeal.

BACKGROUND

JDL received a Notification of Commitment Adjustment Letter (“COMAD”) from USAC dated October 12, 2007.² In the letter, JDL and the Virgin Islands were informed the Schools and Libraries Division (“SLD”) was adjusting the funding commitments for two Funding Request Numbers (“FRN”s) located on Funding Year 2004 Application No. 426832. The SLD reduced the funding commitment for FRN 1181821 by \$138,345.12

¹ 47 C.F.R. § 54.719(c).

² A copy of the COMAD letter is attached as Exhibit A.

because, “funding was provided for the following ineligible items: 7100 Management Access Point E/M/S/U NA and the ineligible cost associated with the Design/Installation/Delivery/Technical Training, Maintenance, Program Management, and Shipping & Customs.” The SLD reduced the funding commitment for FRN 1181889 by \$193,485.86, because, “funding was provided on the following ineligible items: Live Furnace VF-Live! Software, VF3-Now! System 3 On Demand Server Bundle w/ License, VF3- Station Manager Server Bundle, and the ineligible cost associated with the Design/Install/Config Inst Dist System.”

History of FRN 1181821

After review of the Item 21 Description of Service, which included a complete equipment list, the SLD fully funded this FRN on May 10, 2005. Then on September 28, 2006, the Virgin Islands filed a service substitution request for FRN 1181821 in order to add 26 Mitel Management Access Points. As part of the service substitution, detailed equipment lists of the before and after equipment to be purchased on this FRN were disclosed to the SLD.³ On October 31, 2006, the SLD approved the service substitution without making any reductions to the eligibility of the equipment.⁴ In addition to the initial funding of this FRN and the approval of the service substitution, Mitel requested and received confirmation from the SLD regarding the eligibility of the Mitel Management Access Points.⁵

History of FRN 1181889

After review of the Item 21 description of service, which included a complete equipment list, the SLD fully funded this FRN on May 10, 2005. On September 28, 2006, the Virgin Islands filed a service substitution request for FRN 1181889. As part of the service substitution, detailed equipment lists of the before and after equipment to be

³ A copy of the service substitution submitted for FRN 1181821 is attached as Exhibit B.

⁴ A copy of the service substitution approval is attached as Exhibit C.

⁵ A copy of the communication with the Client Services Bureau of the SLD is attached as Exhibit D.

purchased on this FRN were disclosed to the SLD.⁶ The SLD approved the service substitution without making any reductions to the eligibility of the equipment on FRN 1181889.⁷

PIA History

On August 17, 2007, the Virgin Islands received questions from the SLD's Program Integrity Assurance ("PIA") questioning the eligibility of the equipment at issue in this appeal. This was the first indication to the Applicant and Service Provider that the SLD had shifted their original determination as to the eligibility of the equipment. As part of their response to PIA, the Virgin Islands requested further information as to why the SLD had changed its determination and requested further guidance as to the specific information the SLD needed.⁸ On September 5, 2007, the SLD again repeated the requests earlier received by the Virgin Islands. Again, the Virgin Islands responded and asked for further guidance.⁹ On October 12, 2007, the Virgin Islands and JDL received the COMAD letter attached as Exhibit A.

DISCUSSION

JDL and the Virgin Islands both believe the equipment located on both FRNs is eligible for E-rate discounts. In addition, the SLD has had multiple opportunities to review the eligibility of this equipment, and both JDL and the Virgin Island believed they had a good faith funding commitment from the SLD.

⁶ A copy of the service substitution submitted for FRN 1181889 is attached as Exhibit E.

⁷ A copy of the service substitution approval is attached as Exhibit F.

⁸ See PIA response letters from Clinton Staplton, State Director, Office of Instructional Technology for the Virgin Islands, dated August 23, 2007, which are attached as Exhibit G.

⁹ See PIA response dated September 12, 2007, which is attached as Exhibit H.

Equipment was eligible in accordance with the ESL from 2004

For FRN 1181821

As detailed in multiple responses to the SLD, the Mitel 7100 Management Access Point is eligible for E-rate support as originally committed by USAC. The 2004 Eligible Services List states the following:

Remote access components, such as a remote access router or communications server, provide one or more interfaces that allow dial-up or remote access to a network. Components that are capable of providing remote access can be eligible if steps are taken to ensure that only eligible entities, from eligible locations, will have the capability to access them.

The 7100 Management Access Point provides technicians the ability to configure the Mitel system without need of physical access to the system (e.g. from a remote location.) From Mitel's documentation:

The Mitel MAP provides remote support engineers with secure dial-up network access to selected equipment on a customer's network.

Because the Mitel MAP is a component that enables remote access to Mitel communications systems for the purposes of setup and configuration, it should be 100% eligible for E-rate funding as committed. Furthermore, no cost-allocation of the design, installation, and configuration charges associated with these products is necessary since the equipment associated with these costs is eligible.

In addition, on August 19, 2004, Mitel submitted the following eligibility clarification request to the SLD¹⁰:

The Mitel 7100 Management Access Point is a Gateway for remotely administering, monitoring and servicing Mitel PBXs. It also includes an embedded firewall to protect the client's network. The 7100 is primarily utilized under maintenance contracts so that service technicians can access the PBXs to troubleshoot, repair and make configuration changes. The 7100 prevents access to the clients LAN or WAN only allowing secure access to the clients PBXs. Please note:

1. The 7100 is only used by technicians to remotely access the PBXs as a part of Maintenance Contracts. This enables our technicians to provide basic technical support.

¹⁰ A complete copy of the correspondence with the SLD is attached as Exhibit D.

2. The 7100 is capable of monitoring the clients PBX systems, but there is an additional cost to enable monitoring functionality of the 7100.
3. The 7100 is necessary to allow our technicians to repair and upkeep the eligible PBX Hardware and to make configuration changes.

Therefore, we believe the 7100 to be fully eligible for an E-rate discount but would like the SLD to clarify.

In response, the SLD stated that the “Mitel 7100 Management Access Point (MAP) is a gateway for remotely accessing, monitoring, and servicing Mitel ICP and traditional PBX systems over public broadband and PSTN connections.” As a result, the SLD concluded that:

As a component used in conjunction with basic maintenance, the Mitel 7100 Management Access Point is conditionally eligible. Basic maintenance services are eligible if they are a component of a maintenance agreement/contract for an eligible service or product, and these maintenance services are cost effective.

In the current case, the Management Access Points are eligible since the equipment is used for maintenance services, and not for ineligible purpose of management and monitoring.

For FRN 1181889

As detailed in multiple responses to the SLD, the Live Furnace VF-Live! Software, VF3-Now! On Demand Server and VF3-Station Manager Server are eligible for E-rate support as originally committed by USAC. All three products satisfy the eligibility conditions stated for a Video Encoder and MCU in the 2004 Eligible Services List:

Master Control Unit

A Master Control Unit (MCU) is a device that controls the main operating functions of a video system. An MCU is eligible for discount.

MPEG Video Encoder

MPEG Video Encoder is a device similar to a CODEC that converts analog signals to compressed MPEG. See the entry for CODEC for eligibility conditions.

A CODEC (“coder/decoder”) is a device comprising an encoder and decoder in the same equipment. The CODEC produces a coded output and compresses and decompresses audio and video signals. A CODEC is eligible for discount.

The three products in question perform the functions listed above in slightly different manners. The VF-Live Software enables MPEG encoding of live video sources which are then distributed to one or more end-users. The VF3-Now! server and software encodes and distributes previously prepared content “on-demand;” that is, upon a user request the system encodes and distributes content to end-user workstations on an individual basis. The VF3-Station Manager bundle functions as an MCU, allowing the distribution of a single encoded stream to multiple end-users simultaneously. Because the three products in question perform MCU and CODEC functionality, they should be eligible for support as committed. Furthermore, no cost-allocation of the design, installation, and configuration charges associated with these products is necessary since the original equipment is eligible for E-rate discounts.

Good Faith Funding Commitment

The SLD issuing COMADs and reversing Funding Commitments raises the issue of at what point can an applicant rely on the funding commitment it has received from the SLD. JDL understands and supports the SLD being able to collect dispersed funds for projects where the equipment was not fully disclosed or when the SLD later determines that the equipment purchased differed from the information provided. However, this is not the case here. JDL and the Virgin Islands completely disclosed and the SLD reviewed the equipment to be purchased at the time the original funding request was filed, at the time the product substitution was submitted, and once again when JDL submitted the Service Provider Invoicing (“SPI”) for these FRNs. The SLD has approved and paid invoices for both FRNs at issue. In the case of FRN 1181821, the parties even had correspondence from the SLD to support the equipment’s eligibility. JDL and the Virgin Islands had every reason to believe the SLD had approved and funded the equipment at issue now.

This is not the first time this issue has been raised to the Commission. On July 19, 2006, the Commission decided *Henkels & McCoy Inc., Little Rock School District*, DA 06-1463. Henkels began providing internal connections to the Little Rock School District upon receiving a funding commitment decision letter from the SLD. Later the SLD

issued a COMAD for products the SLD had decided were not eligible upon presentation of invoices. The FCC remanded this case back to the SLD with instructions to work with the applicant and service provider in determining the eligibility of the products. The Commission did not provide any further guidance to applicants and service providers as to when a funding commitment really becomes a funding commitment.

As in the *Henkels Order*, the Virgin Islands has requested further guidance from the SLD as to why the equipment previously approved has now been found ineligible. Both JDL and the Virgin Islands maintain the equipment is eligible and at the very least, the SLD should provide better reasoning and guidance as to how this equipment was reviewed at least twice if not three times, was approved for funding then, but is not approved now.

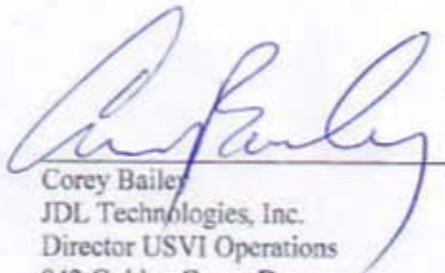
Waiver Request

If the FCC finds that the equipment is not eligible, JDL and the Virgin Islands would respectfully request a waiver. The SLD funded both FRNs after all the equipment had been fully disclosed. Both projects have now started and without the approval of the funding requests at issue, the Virgin Islands would not have begun receipt of what they thought was approved equipment. If the COMAD adjustment is upheld, the applicant will now have to pay 100% of the cost of the newly determined ineligible equipment. This creates an undue hardship on the applicant who started the program under the belief that the SLD would fund their approved portion. JDL and the Virgin Islands fully disclosed the equipment to be used and therefore intended no waste, fraud or abuse on the program.


SUMMARY

For the reasons given above, both JDL and the Virgin Islands request that the Commission reverse the SLD's decision as to the eligibility of the equipment at issue and reverse the Funding Commitment Adjustment issued by the SLD.

Sincerely Submitted,



Corey Bailey
JDL Technologies, Inc.
Director USVI Operations
942 Golden Grove Dr.
Lewisville, TX 75067
(214) 213-7546



Clinton Stapleton, Ph.D.
Virgin Islands, Department of Education
State Director, Office of Inst. Tech.
1834 Kongens Gade
St. Thomas, VI 00802
(340) 774-0100, Ext. 3124



Notification of Commitment Adjustment Letter
Funding Year 2004: 7/01/2004 - 6/30/2005

October 12, 2007

Elaine Williams
JDL Technologies
6475 City West Parkway
Eden Prairie, MN 55344

Re: SPIN: 143004549
Form 471 Application Number: 426832
Funding Year: 2004
FCC Registration Number
Applicant Name: V.I. DEPARTMENT OF EDUCATION
Billed Entity Number: 154494
Applicant Contact Person: Dr. Clinton Stapleton

Our routine review of Schools and Libraries Program funding commitments has revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) must now adjust the overall funding commitment. The purpose of this letter is to make the adjustments to the funding commitment required by program rules, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for SLD to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of the Demand Payment Letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." Please see the "Informational Notice to All Universal Service Fund Contributors, Beneficiaries, and Service Providers" at <http://www.universalservice.org/fund-administration/tools/latest-news.aspx#083104> for more information regarding the consequences of not paying the debt in a timely manner.

TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Numbers you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, Billed Entity Number, and the FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter specific and brief, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal electronically, please send your appeal to appeals@sl.universalservice.org using your organization's e-mail. If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Dept. 125- Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC web site or by contacting the Client Service Bureau at 1-888-203-8100. We strongly recommend that you use the electronic appeals option.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from the application for which adjustments are necessary. Immediately preceding the Report, you will find a guide that defines each line of the Report.

The SLD is also sending this information to the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on these Funding Request Numbers, a separate letter will be sent to the applicant detailing the necessary applicant action.

Please note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Please note the Funding Commitment Adjustment Explanation in the attached Report. It explains why the funding commitment is being reduced. Please ensure that any invoices that you or the applicant submit to USAC are consistent with program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds the Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the service provider is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Dr. Clinton Stapleton
V.I. DEPARTMENT OF EDUCATION

A GUIDE TO THE FUNDING COMMITMENT ADJUSTMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each individual request in your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.

CONTRACT NUMBER: The number of the contract between the applicant and the service provider. This will be present only if a contract number was provided on Form 471.

SERVICES ORDERED: The type of service ordered by applicant, as shown on Form 471.

BILLING ACCOUNT NUMBER: The account number that you have established with your customer for billing purposes. This will be present only if a Billing Account Number was provided on the Form 471.

ORIGINAL FUNDING COMMITMENT: This represents the original amount of funding that SLD had reserved to reimburse for the approved discounts for this service for this funding year.

COMMITMENT ADJUSTMENT AMOUNT: This represents the amount of funding that SLD has rescinded because of program rule violations.

ADJUSTED FUNDING COMMITMENT: This represents the adjusted total amount of funding that SLD has reserved to reimburse for the approved discounts for this service for this funding year. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.

FUNDS DISBURSED TO DATE: This represents the total funds that have been disbursed for this FRN as of the date of this letter.

FUNDS TO BE RECOVERED FROM SERVICE PROVIDER: This represents the amount of improperly disbursed funds to date for which the service provider has been determined to be primarily responsible. These improperly disbursed funds will have to be recovered from the service provider.

FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report
Form 471 Application Number: 426832**

Funding Request Number:	1181821
Contract Number:	N/A
Services Ordered:	INTERNAL CONNECTIONS
Billing Account Number:	N/A
Original Funding Commitment:	\$744,437.85
Commitment Adjustment Amount:	\$138,345.12
Adjusted Funding Commitment:	\$606,092.73
Funds Disbursed to Date:	\$20,736.00
Funds to be Recovered from Service Provider:	\$0.00

Funding Commitment Adjustment Explanation:

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$138,345.12. During the course of review, it was determined that funding was provided for the following ineligible items: 7100 Management Access Point E/M/S/U NA and the ineligible cost associated with the Design/Installation/Delivery/Technical Training, Maintenance, Program Management, and Shipping&Customs. The pre-discount cost associated with these items is \$68,265.34 and \$58,358.45, \$6,621.05, \$19,836.39, \$635.57, respectively, for a total ineligible amount of \$153,716.79. At the applicant's 90% percent discount rate, this resulted in an improper commitment of \$138,345.12. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, the commitment has been reduced by \$138,345.12 and if the recovery of improperly disbursed funds is required USAC will seek recovery from the service provider.

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Funding Request Number:	1181889
Contract Number:	N/A
Services Ordered:	INTERNAL CONNECTIONS
Billing Account Number:	N/A
Original Funding Commitment:	\$502,864.39
Commitment Adjustment Amount:	\$193,485.86
Adjusted Funding Commitment:	\$309,378.53
Funds Disbursed to Date:	\$397,811.21
Funds to be Recovered from Service Provider:	\$88,432.68

Funding Commitment Adjustment Explanation:

After a thorough review, it was determined that the funding commitment for this request must be reduced by \$193,485.86. During the course of review, it was determined that funding was provided for the following ineligible items: Live Furnace VF-Live! Software, VF3-Now! System 3 On Demand Server Bundle w/License, VF3-Station Manager Server Bundle, and the ineligible cost associated with the Design/Install/Config Inst Dist System. The pre-discount cost associated with these items is \$55,344.00, \$99,216.00, \$31,176.00, and \$29,248.29, respectively, for a total ineligible amount of \$214,984.29. At the applicant's 90% percent discount rate, this resulted in an improper commitment of \$193,485.86. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, www.universalservice.org/sl/about/eligible-services-list.aspx for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, the commitment has been reduced by \$193,485.86 and if the recovery of improperly disbursed funds is required USAC will seek recovery from the service provider.

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GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

---O---
DEPARTMENT OF EDUCATION
State Office of Instructional Technology
1834 Kongens Gade
St. Thomas, V.I. 00802

September 28, 2006

By Fax (973-599-6526)
Service Substitutions
Schools and Libraries Division
Box 125 — Correspondence Unit
80 South Jefferson Road
Whippany, New Jersey 07981

RE: SERVICE SUBSTITUTION REQUEST

Application No:	426832
FRN:	1181821 — Year 7 VoIP Project
Commitment:	\$744,512.40
Applicant:	V.I. DEPARTMENT OF EDUCATION (BEN: 154494)
Service Provider:	JDL Technologies, Inc. (SPIN: 143004549)

The V.I. Department of Education (VIDE) is requesting a service substitution for the above-referenced application FRN. The specific changes requested are set forth on the attached spreadsheet.

I hereby certify as to the following:

1. The substituted products or services have the same functionality as contained in the original proposal.
2. The substitution does not result in an increase in the percentage of ineligible services or functions.
3. The substitution does not violate any contract provisions.
4. The requested change is consistent with the establishing Form 470 and any Request for Proposal for the original services.
5. The requested change is in compliance with all applicable state and local procurement laws.
6. I have secured access to all of the resources necessary to make effective use of the modified services as well as to pay the discounted charges for eligible services.

To the extent that the requested service substitution provides a decreased cost, I authorize the Schools and Libraries Division to reduce my funding commitment.

Sincerely,

A handwritten signature in cursive script that reads "Clinton Stapleton".

Clinton Stapleton, Ph.D.
State Director, Office of Instructional Technology
Phone: 340-774-0100, Ext. 3124
Fax: 340-715-3459
Email: cstapleton@doe.vi

Attachment: List of Products (Original and Revised)

YEAR 7 (2004-2005) VOIP PROJECT PRODUCT SUBSTITUTION

Form 471: 426832

Funding Commitment: \$744,512.40

FRN: 1181821

ORIGINAL PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
50003292	Mitel	6510 Base S/W 4 ports, 2 TTS ports	2	\$5,426.72	\$10,853.44	\$9,768.10	\$1,085.34
54000760	Mitel	6510 5 - 16 additional ports, 4 port increments	6	\$2,480.40	\$14,882.40	\$13,394.16	\$1,488.24
54000761	Mitel	6510 17 - 64 additional ports, 4 port increments	14	\$3,721.12	\$52,095.68	\$46,886.11	\$5,209.57
54000772	Mitel	Multilingual support Pack	2	\$2,646.20	\$5,292.40	\$4,763.16	\$529.24
52001030	Mitel	3300 Universal ASU one per location	38	\$2,340.00	\$88,920.00	\$80,028.00	\$8,892.00
50001266	Mitel	4.0 Software and License Key	38	\$2,340.00	\$88,920.00	\$80,028.00	\$8,892.00
50003565	Mitel	IP user License for Voice Mail	2145	\$54.00	\$115,830.00	\$104,247.00	\$11,583.00
54000778	Mitel	TTS port interface module	4	\$1,240.72	\$4,962.88	\$4,466.59	\$496.29
54000820	Mitel	6510 Additional tenant group	6	\$912.08	\$5,472.48	\$4,925.23	\$547.25
50003590	Mitel	Dialogic D/480 Dual T1 Card Includes cables	2	\$13,111.00	\$26,222.00	\$23,599.80	\$2,622.20
50003620	Mitel	Central Voicemail Hardware	2	\$11,079.12	\$22,158.24	\$19,942.42	\$2,215.82
51006483	Mitel	Tower to rack Conversion Kit	2	\$656.24	\$1,312.48	\$1,181.23	\$131.25
N/A	N/A	Design, Installation, Delivery, Technical Training	38	\$7,123.00	\$270,674.00	\$243,606.60	\$27,067.40
N/A	N/A	Maintenance Services	12	\$1,920.00	\$23,040.00	\$20,736.00	\$2,304.00
N/A	N/A	Program Management	12	\$8,050.00	\$96,600.00	\$86,940.00	\$9,660.00
ORIGINAL PROJECT TOTALS				\$63,100.60	\$827,236.00	\$744,512.40	\$82,723.60

REVISED PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
50003292	Mitel	6510 Base S/W 4 ports, 2 TTS ports	2	\$6,500.00	\$13,000.00	\$11,700.00	\$1,300.00
54000760	Mitel	6510 5 - 16 additional ports, 4 port increments	4	\$2,385.00	\$9,540.00	\$8,586.00	\$954.00
54000761	Mitel	6510 17 - 64 additional ports, 4 port increments	6	\$3,578.00	\$21,468.00	\$19,321.20	\$2,146.80
54000772	Mitel	Multilingual support Pack	1	\$2,361.00	\$2,361.00	\$2,124.90	\$236.10
52001030	Mitel	3300 Universal ASU one per location	10	\$2,500.00	\$25,000.00	\$22,500.00	\$2,500.00
54000770	Mitel	3300 ICP Integration	1	\$1,754.00	\$1,754.00	\$1,578.60	\$175.40
50003725	Mitel	Analogue Option Module	3	\$800.00	\$2,400.00	\$2,160.00	\$240.00
51005423	Mitel	7100 Management Access Point E/M/S/U NA	26	\$2,625.59	\$68,265.34	\$61,438.81	\$6,826.53
52001151	Mitel	IP Phone Lic.	157	\$90.00	\$14,130.00	\$12,717.00	\$1,413.00
54000297	Mitel	IP Voicemail Lic.	2735	\$40.00	\$109,400.00	\$98,460.00	\$10,940.00
54000303	Mitel	Network License	3	\$1,500.00	\$4,500.00	\$4,050.00	\$450.00
54000860	Mitel	3300 Advanced Voice Mail Option	36	\$1,750.00	\$63,000.00	\$56,700.00	\$6,300.00
50003560	Mitel	Embedded Digital Trunk Module	3	\$1,500.00	\$4,500.00	\$4,050.00	\$450.00
50005341	IBM	IBM x206m, 1GB RAM Base Server	1	\$7,200.00	\$7,200.00	\$6,480.00	\$720.00
51005330		Rack Mount Kit	1	\$526.00	\$526.00	\$473.40	\$52.60
48353-203		Chatsworth Racks	26	\$461.54	\$12,000.04	\$10,800.04	\$1,200.00
	Suttle	Cabling & Materials (Connector Blocks, Clips, Mounting Brackets, Jack Assembly, 8" cable ties, CAT2 cable, installation kit, 6' male to D9 female, cable CAT5 25 pairs 24AGW and cable 12P24 outside	Var.		\$8,292.79	\$7,463.51	\$829.28
N/A	N/A	Design, Installation, Delivery, Technical Training	36	\$8,723.00	\$314,028.00	\$282,625.20	\$31,402.80
N/A	N/A	Maintenance	12	\$2,969.00	\$35,628.00	\$32,065.20	\$3,562.80
N/A	N/A	Program Management	12	\$8,895.00	\$106,740.00	\$96,066.00	\$10,674.00
N/A	N/A	Shipping & Customs		\$3,800.00	\$3,420.00	\$3,078.00	\$342.00
REVISED PROJECT TOTALS				\$59,958.13	\$827,153.17	\$744,437.85	\$82,715.32



Universal Service Administrative Company

Schools and Libraries Division

SUPPLEMENTAL FORM 471 APPLICATION

APPROVAL LETTER

October 31, 2006

Clinton Stapleton
Department of Education
State Office of Instructional Technology
1834 Kongens Gade
St. Thomas, V.I. 00802

Form 471 Application Number: 426832

Dear Applicant:

This letter is your notification that the FCC Form 471, *Services Ordered and Certification Form* you submitted for **Minor Modifications** was received and approved. You are now authorized to make the changes identified in your submission.

This letter does NOT authorize any increase in funding of any Funding Request Numbers (FRNs) contained in your submission. If the changes represent a cost decrease from the original commitment amount for the Funding Request Numbers (FRNs) listed below, the Schools and Libraries Division (SLD) automatically adjusts the funding commitment for the affected FRNs. If applicable, the amount of the reduction and the revised funding commitment will be shown below for the affected FRNs.

Do NOT file FCC Form 500 to reflect any funding reduction from this service substitution request, as the funding reduction has already been taken.

Please keep this letter for your records. This is the only notification you will receive indicating the processing of the above-submitted form, and of a reduced funding commitment if a cost decrease is included.

The Funding Request Numbers (FRNs) listed below are the only changes to products or services authorized for this Minor Modification filing.

FRN: 1181821

Reduction: \$74.55

Revised Commitment: \$744,437.85

If you have any questions regarding the above information, please write to us at "SLD, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981."

TO APPEAL THIS DECISION

If you wish to appeal a decision in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) e-mail address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - appellant name,
 - applicant or service provider name, if different than appellant,
 - applicant BEN and service provider SPIN,
 - <insert application or form number> as assigned by the SLD,
 - <insert name of the letter and funding year - both are located at the top of the letter, AND
 - the exact text of the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by the SLD's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by the SLD's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to the SLD by e-mail, use the "Submit a Question" feature on our web site at www.sl.universalservice.org. Click "Continue," choose "Appeals" from the Topics Inquiry on the lower portion of your screen, and click "Go" to begin your appeal submission. The system will prompt you through the process. The SLD will automatically reply to incoming e-mails to confirm receipt.

To submit your appeal to the SLD by fax, fax your appeal to (973) 599-6542.

To submit your appeal to the SLD on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our web site. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

From: sldnoreply@sl.universalservice.org on 03/09/2005 11:27 AM

To: funding@mitel.com

cc:

Subject: RE: Initial Contact, Case 21-120038

Thank you for your inquiry. The Mitel 7100 Management Access Point (MAP) is a gateway for remotely accessing, monitoring, and servicing Mitel ICP and traditional PBX systems over public broadband and PSTN connections.

As a component used in conjunction with basic maintenance , the Mitel 7100 Management Access Point is conditionally eligible. Basic maintenance services are eligible if they are a component of a maintenance agreement/contract for an eligible service or product, and these maintenance services are cost effective. The agreement or contract must specifically identify the eligible products or service covered, including product name, model number, and location.

If you have any further questions, please feel free to contact our Schools and Libraries Helpline at 1-888-203-8100. Please remember to visit our website for updates: <http://www.sl.universalservice.org>

Thank you,
Schools and Libraries Division
Universal Service Administrative Company

-----Original Message-----

From: funding@mitel.com
Subject: Initial Contact

[FirstName]=Dawn
[LastName]=Dillabaugh
[Title]=Erate Manager
[EmailAddress]=funding@mitel.com
[WorkPhone]=61359221223109
[FaxPhone]=[PreviousCaseNumber]=0

[FormType]=Eligible Services
[Owner]=TCSB
[DateSubmitted]=8/19/2004 10:00:58 AM
[AttachmentFlag]=N[Question2]=The Mitel 7100 Management Access Point is a Gateway for remotely administering, monitoring and servicing Mitel PBXs. It also includes an embedded firewall to protect the client's network. The 7100 is primarily utilized under maintenance contracts so that service

technicians can access the PBXs to troubleshoot, repair and make configuration changes. The 7100 prevents access to the clients LAN or WAN

only allowing secure access to the clients PBXs. Please note:

1.) The 7100 is only used by technicians to remotely access the PBXs as a part of Maintenance Contracts. This enables our technicians to provide basic technical support.

2.) The 7100 is capable of monitoring the clients PBX systems, but there is an additional cost to enable monitoring functionality of the 7100.

3.) The 7100 is necessary to allow our technicians to repair and upkeep the eligible PBX Hardware and to make configuration changes.

Therefore we believe the 7100 to be fully eligible for an ERate discount but would like the SLD to clarify.

YEAR 7 (2004-2005) VIDEO PRODUCT SUBSTITUTION

Form 471:	426832	Original Commitment:	\$516,724.64	
FRN:	1181889	Less Revised Costs:	-\$13,860.25	Ineligible Software, as determined by the SLD, deducted from revised pricing
		Revised Commitment:	\$502,864.39	

VIDEO DISTRIBUTION							
ORIGINAL PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
VF-CAL-SWR	Video Furnace	Extended Concurrent VF Client License	600	\$14.88	\$8,928.00	\$8,035.20	\$892.80
VF-EVF-SWR	Video Furnace	Extended Live Furnace	12	\$11,160.71	\$133,928.52	\$120,535.67	\$13,392.85
VF-SWR-Maint	Video Furnace	Annual Video Furnace Software Maint, STTJ	1	\$32,386.00	\$32,386.00	\$29,147.40	\$3,238.60
VF-SWR-Maint	Video Furnace	Annual Video Furnace Software Maint, STX	1	\$31,389.80	\$31,389.80	\$28,250.82	\$3,138.98
VF-CSH-1RU	HP	Channel Server	12	\$2,403.94	\$28,847.28	\$25,962.55	\$2,884.73
VF-PCI-VDC	Video Furnace	PCI Video Distribution Card	12	\$1,953.13	\$23,437.56	\$21,093.80	\$2,343.76
0SU22003	Minicom	KVM Switch	2	\$599.00	\$1,198.00	\$1,078.20	\$119.80
0SU51023	Minicom	KVM PS/2 cables	12	\$65.00	\$780.00	\$702.00	\$78.00
158649-001	HP	1U Rack Keyboard with Trackball	2	\$161.00	\$322.00	\$289.80	\$32.20
253217-001	HP	17" flat panel monitor	2	\$860.00	\$1,720.00	\$1,548.00	\$172.00
MIRC-12V	Blonder Tongue	Rack Chassis	2	\$190.97	\$381.94	\$343.75	\$38.19
MIPC-12C	Blonder Tongue	Power Supply	2	\$190.97	\$381.94	\$343.75	\$38.19
MIDM-806	Blonder Tongue	Agile A/V Demod 54-806 MHz Channel Cd	12	\$190.97	\$2,291.67	\$2,062.50	\$229.17
SMART1500RM2U	Tripplite	UPS	2	\$615.87	\$1,231.75	\$1,108.57	\$123.17
BP48V60RT3U	Tripplite	Battery	2	\$768.19	\$1,536.39	\$1,382.75	\$153.64
BP48V242U	Tripplite	Battery	2	\$374.31	\$748.63	\$673.76	\$74.86
120663-B23	HP	Data Rack Enclosure	2	\$2,194.00	\$4,388.00	\$3,949.20	\$438.80
158649-001	HP	1 RU Keyboard Slide-out Shelf	2	\$206.00	\$412.00	\$370.80	\$41.20
N/A	N/A	Design/Install/ Config Inst Vid Dist System	2	\$34,401.98	\$68,803.96	\$61,923.56	\$6,880.40
ORIGINAL PROJECT TOTAL					\$120,126.74	\$343,113.43	\$308,802.09
REVISED PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
VF-CAL-SWR	Video Furnace	Concurrent VF Client License	600	\$8.85	\$5,310.00	\$4,779.00	\$531.00
VF-EVF-SWR	Video Furnace	Live Furnace VF-Live! Software	6	\$9,224.00	\$55,344.00	\$49,809.60	\$5,534.40
VF-SWR-Maint	Video Furnace	Annual Video Furnace Software Maint, STTJ	1	\$14,950.00	\$14,950.00	\$13,455.00	\$1,495.00
VF-SWR-Maint	Video Furnace	Annual Video Furnace Software Maint, STX	1	\$14,950.00	\$14,950.00	\$13,455.00	\$1,495.00
VF-CSH-1RU	HP	VF-Live Channel Server	2	\$4,587.00	\$9,174.00	\$8,256.60	\$917.40
VF-CSH2-1RU	HP	VF-Live Dual-Channel Server	2	\$7,087.00	\$14,174.00	\$12,756.60	\$1,417.40
VF-PCI-VDC	Video Furnace	PCI Video Distribution Card	6	\$1,790.00	\$10,740.00	\$9,666.00	\$1,074.00
VF3N100/LM-BDL600	Video Furnace	VF3-Now! - System 3 On Demand Server Bundle w/License Manager	2	\$49,608.00	\$99,216.00	\$89,294.40	\$9,921.60
VF3SM-BDL282	Video Furnace	VF3-Station Manager Server Bundle	2	\$15,588.00	\$31,176.00	\$28,058.40	\$3,117.60
VF3ES-BDL250	Video Furnace	VF3-ES - System 3 Encode Station Bundle (MPEG 1,2 or 4)	2	\$9,943.00	\$19,886.00	\$17,897.40	\$1,988.60
MIRC-12V	Blonder Tongue	Rack Chassis	2	\$191.00	\$382.00	\$343.80	\$38.20
MIPS-12C	Blonder Tongue	Power Supply	2	\$191.00	\$382.00	\$343.80	\$38.20
MIDM-806	Blonder Tongue	Agile A/V Demod 54-806 MHz Channel Cd	6	\$191.00	\$1,146.00	\$1,031.40	\$114.60
SUM1500RMXL2U	APC	UPS	4	\$744.00	\$2,976.00	\$2,678.40	\$297.60
SUM48RMXLB2U	APC	Battery	6	\$442.00	\$2,652.00	\$2,386.80	\$265.20
245161-B22	HP	Data Rack Enclosure	2	\$2,193.00	\$4,386.00	\$3,947.40	\$438.60
N/A	N/A	Design/Install/ Config Inst Vid Dist System	2	\$22,585.00	\$45,170.00	\$40,653.00	\$4,517.00
REVISED PROJECT TOTAL					\$154,272.85	\$332,014.00	\$298,812.60

YEAR 7 (2004-2005) VIDEO PRODUCT SUBSTITUTION

Form 471: 426832
FRN: 1181889

Funding Commitment: \$516,724.64

Page 2

VIDEO POINT-TO-MULTI POINT							
ORIGINAL PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
VCSA -0801	Polycom	MGC-50 Conference center	2	\$13,775.93	\$27,551.86	\$24,796.67	\$2,755.19
VNMP2401	Polycom	IP-24 H.323 Conf Module	2	\$24,091.29	\$48,182.58	\$43,364.32	\$4,818.26
VNMP1201	Polycom	IP-12 H.323 Conf Module	2	\$11,745.88	\$23,491.76	\$21,142.58	\$2,349.18
VCMR0801	Polycom	19" Rack Mount Kit	2	\$12.24	\$24.48	\$22.03	\$2.45
WC-SCHED	Polycom	Web Cmdr Software for MGC-50	0	\$19,389.27	\$0.00	\$0.00	\$0.00
N/A	N/A	On site delivery, shipping, setup, test	2	\$2,079.50	\$4,159.00	\$3,743.10	\$415.90
ORIGINAL PROJECT TOTALS				\$71,094.11	\$103,409.68	\$93,068.71	\$10,340.97
REVISED PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
VMCU2405R	Polycom	MGC+50 High Bandwidth 24PT IP 24PT VID+	2	\$41,980.78	\$83,961.56	\$75,565.40	\$8,396.16
4870-00139-112	Polycom	Premier 1-Year for VMCU2405R	2	\$4,000.00	\$8,000.00	\$7,200.00	\$800.00
4870-00139-004	Polycom	On-Site Installation	2	\$3,176.81	\$6,353.62	\$5,718.26	\$635.36
VSHPO050	Polycom	Shipping Fee for	2	\$1,584.00	\$3,168.00	\$2,851.20	\$316.80
V2IU 4300T-E3	Polycom	NAT/ firewall traversal unit	1	\$1,871.67	\$1,871.67	\$1,684.50	\$187.17
REVISED PROJECT TOTALS				\$52,613.26	\$103,354.85	\$93,019.37	\$10,335.49
VIDEO CONFERENCING SMALL ROOM SYSTEM							
ORIGINAL PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
220-08001-001	Polycom	Polycom Viewstation 128	2	\$1,769.72	\$3,539.44	\$3,185.50	\$353.94
N/A	N/A	On-Site delivery, installation, technical training	2	\$414.40	\$828.80	\$745.92	\$82.88
ORIGINAL PROJECT TOTAL				\$2,184.12	\$4,368.24	\$3,931.42	\$436.82
REVISED PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
220-08001-001	Polycom	Polycom Viewstation 128	0	\$0.00	\$0.00	\$0.00	\$0.00
N/A	N/A	On-Site delivery, installation, technical training	0	\$0.00	\$0.00	\$0.00	\$0.00
REVISED PROJECT TOTALS				\$0.00	\$0.00	\$0.00	\$0.00
VIDEO SYSTEM PROGRAM MANAGEMENT							
ORIGINAL PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
N/A	N/A	Inst. Vid Conference System Maintenance	12	\$5,586.92	\$67,043.04	\$60,338.74	\$6,704.30
N/A	N/A	Inst. Vid Conference Program Management	12	\$4,683.68	\$56,204.10	\$50,583.69	\$5,620.41
ORIGINAL PROJECT TOTAL				\$10,270.60	\$123,247.14	\$110,922.43	\$12,324.71
REVISED PROJECT							
PART	MANUF.	DESCRIPTION	QTY	UNIT	EXTENDED	E-RATE	VIDE
N/A	N/A	Inst. Vid Conference System Maintenance	12	\$5,586.92	\$67,043.04	\$60,338.74	\$6,704.30
N/A	N/A	Inst. Vid Conference Program Management	12	\$4,693.86	\$56,326.32	\$50,693.69	\$5,632.63
REVISED PROJECT TOTALS				\$10,280.78	\$123,369.36	\$111,032.42	\$12,336.94
REVISED PROJECT TOTALS		VIDEO DISTRIBUTION		\$154,272.85	\$332,014.00	\$298,812.60	\$33,201.40
		POINT-TO-MULTI POINT		\$52,613.26	\$103,354.85	\$93,019.37	\$10,335.49
		SMALL CONFERENCE ROOM SYSTEM		\$0.00	\$0.00	\$0.00	\$0.00
		PROGRAM MANAGEMENT AND MAINTENANCE		\$10,280.78	\$123,369.36	\$111,032.42	\$12,336.94
		REVISED TOTALS		\$217,166.89	\$558,738.21	\$502,864.39	\$55,873.82



Schools and Libraries Division

SUPPLEMENTAL FORM 471 APPLICATION

APPROVAL LETTER

February 13, 2007

Clinton Stapleton
Virgin Islands Department of Education
State Office of Instructional Technology
1834 Kongens Gade
St. Thomas, VI 00802

Form 471 Application Number: 426832

Dear Applicant:

This letter is your notification that the FCC Form 471, *Services Ordered and Certification For* in you submitted for **Minor Modifications** was received and approved. You are now authorized to make the changes identified in your submission.

This letter does NOT authorize any increase in funding of any Funding Request Numbers (FRNs) contained in your submission. If the changes represent a cost decrease from the original commitment amount for the Funding Request Numbers (FRNs) listed below, the Schools and Libraries Division (SLD) automatically adjusts the funding commitment for the affected FRNs. If applicable, the amount of the reduction and the revised funding commitment will be shown below for the affected FRNs.

Do NOT file FCC Form 500 to reflect any funding reduction from this service substitution request, as the funding reduction has already been taken.

Please keep this letter for your records. This is the only notification you will receive indicating the processing of the above-submitted form, and of a reduced funding commitment if a cost decrease is included.

The Funding Request Numbers (FRNs) listed below are the only changes to products or services authorized for this Minor Modification filing.

FRN: 1181889

Reduction: \$13,860.25

Revised Commitment: \$502,864.39

If you have any questions regarding the above information, please write to us at "SLD, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981."

TO APPEAL THIS DECISION

If you wish to appeal a decision in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) e-mail address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - appellant name,
 - applicant or service provider name, if different than appellant,
 - applicant BEN and service provider SPIN,
 - <insert application or form number> as assigned by the SLD,
 - <insert name of the letter and funding year - both are located at the top of the letter, AND
 - the exact text of the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
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Whippany, NJ 07981

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**V. I. DEPARTMENT OF EDUCATION
RESPONSE TO COMPLIANCE QUESTIONS**

To: Adrian Sewdat - Program Compliance
Universal Services Administrative Company
Schools and Library Division

From: Dr. Clinton Stapleton,
State Director Office of Instructional Technology
V.I. Department of Education

Date: August 23, 2007

**RE: ELIGIBILITY QUESTIONS
USAC Letter Dated August 17, 2007
Application Number 426832
FRN number 1181889**

Additional information was requested by the Program Compliance team to review Funding Year 2004 Form 471 application and ensure that it is in compliance with the rules of the Universal Service Program. In order to complete our response, which includes identification of associated Design/Install/Conf Inst Vid Dist System costs with the Video Product Project, we need additional clarification on your eligibility determination.

HISTORY:

On September 28, 2006, we submitted a Service Substitution request to change some of the equipment included in FRN 1181889 (Year 7 Video). See Attachment No. 1. The request included the VF3-Now, VF3-Station Manager and VF-Live software mentioned in your letter.

Esther Hung, Service Substitutions & Technical Services, reviewed the substitution request. The request was approved by the SLD on February 13, 2007, including the VF3-Now, VF3-Station Manager and VF-Live software. See Attachment No. 2. By approving the Service Substitution request, the SLD determined that the questioned equipment and software are E-Rate eligible.

SLD DETERMINATIONS OF ELIGIBILITY:

The SLD confirmed the eligibility of the Video Distribution System proposed through the issuance of the October 31, 2006 Service Substitution approval letter. In addition, the Year 7 Instructional Video Distribution (IVD) system proposed should be eligible per the Eligible Services List issued by the Schools and Libraries Support Division, Oct 10, 2003 which is the Eligible Services List that is in effect for Year 7 of the program funding year 2004/2005.

V. I. Department of Education
Application Number 426832
FRN number 1181889

Below, in blue text are Eligible Services and subsequent corresponding product implementation detail from the Video Distribution System proposed.

CODEC / Video Encoder

A CODEC (“coder/decoder”) is a device comprising an encoder and decoder in the same equipment. The CODEC produces a coded output and compresses and decompresses audio and video signals. A CODEC is eligible for discount.

The InStream Viewer is a software CODEC that either retrieves and displays pre-recorded content from a VF-Now! System, or receives and displays a broadcast video signal from a VF-Live! System. This software resides at a central server, at no time is this software installed onto the viewing client system. It resides in the user’s RAM and is only resident while viewing the broadcast video content.

Video Channel Modulator

A Video Channel Modulator is a distribution box which takes standard video and audio input from video cameras, recorders, security systems, satellite receivers, disk players and video games and distributes the signals to the end user. It is eligible for discount.

The VF-Live! Server acts as the Video Channel Modulator and is the system that receives the video signal source (Composite and/or SVideo) such as a video camera, DVD, or VCR, and performs the encoding into an MPEG data stream and broadcast that stream so the InStream Viewer can decode the stream to display the video signal at the client’s PC or Macintosh.

We clearly understand that per the Oct. 10, 2003 Eligible Services List, the broadcasting of cable or television programming is NOT eligible. Therefore, if any of the channels were to be used for distribution of cable television or other television programming, those systems and their related design/installation/support and maintenance would be removed as required from the SLD invoicing and would require VIDEOE funding at 100% for the items that deliver that service.

YEAR 7 INSTRUCTIONAL VIDEO DISTRIBUTION OVERVIEW

In this proposed system, there will be six (6) VF-Live! Systems housed in a central location in each VIDEOE School District. All equipment is designed to fit into one 47RU data cabinet, including monitor, keyboard/trackball. Typically 9 to 12 square feet of floor space is required along with two (2) 20 AMP A/C circuits.

Each VF-Live system includes the following connectors for video/audio inputs:

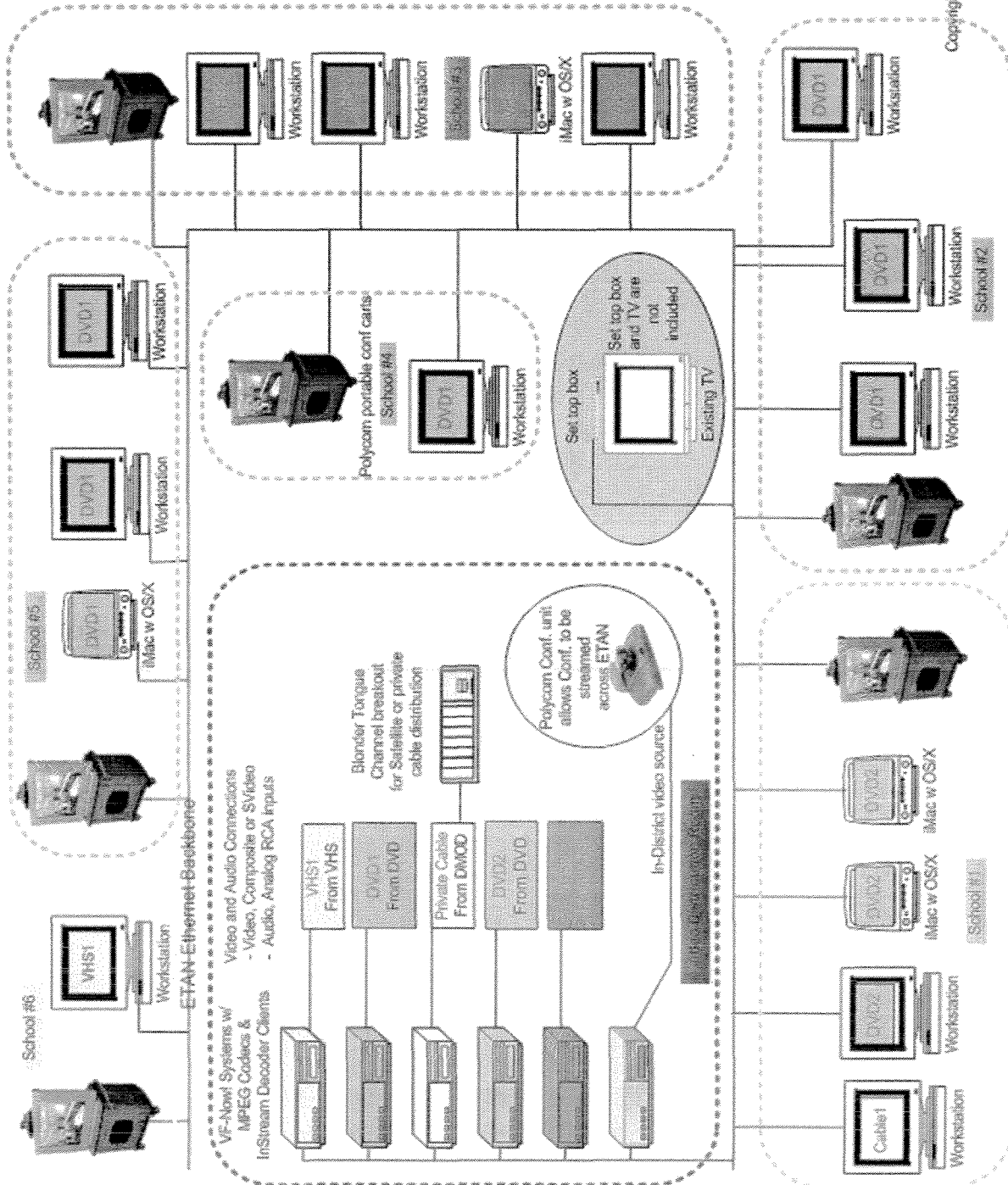
- Video Input (encoder): S-Video or Composite Analog Video Source
- Audio Input (encoder): Baseband Audio, Stereo, RCA Right and Left Channels

UPS systems are included to provide back up power for Approx. 2 hours for each VF-Live! System.

The systems will be connected to an IP-based KVM switch which will allow one physical and two “virtual” or IP-based operators to connect to these systems.

The rack will also include a 17” foldout display, keyboard and trackball to reduce the space required for local administration.

Instructional Video Conferencing Design for VIDEOE featuring PolyCom and Video Furnace One VF-Livel! Server per channel design



Copyright 2005 JDL Technologies

JDL TECHNOLOGIES JDL Technologies 5555 West 78th St Edina, MN 55347 800-535-3969 www.jdltech.com	DRAWN BY: ES / CCB PROJECT MGR: C. Bosquez	ARCHITECT/ENGINEER: JDL Technologies	TMG Dwg. No.:	PROJECT: USVI ETAN Year 7 E-Rate Instructional Video Conferencing Distribution System	TITLE: Design using Video Furnace and PolyCom	DATE: 1/29/05	SCALE: N/A NO: V1
--	---	---	---------------	--	---	------------------	----------------------------

VIDOE would be required to provide:

- Instructional video content for distribution
- VCRs, DVD players, video cameras with industry standard outputs of:
 - Video Output: S-Video or Composite Analog
 - Audio Output: Baseband Audio, Stereo or Mono, RCA connectors
- Staff for managing VCRs, DVD players, & video cameras and related content
- Instructional Video Content via Satellite, or private cable network

REQUESTED RELIEF:

We are unable to reconcile the two inconsistent eligibility determinations. Can you please explain the basis for the ineligibility determination for Year 7? Based on the foregoing, we believe that the VIDE's Year 7 Instructional Video Distribution (IVD) system is eligible for funding and respectfully request that the Year 7 funding eligibility be reconsidered. In the alternative, to the extent the ineligibility determination is upheld, we hereby request that we be allowed additional time to amend our Year 7 funding request to remove the ineligible items and associated services costs from the FRN 1181889.

Please do not hesitate to contact me. I can be reached at either 340-774-0100 (office), 340-643-9621 (cell), or by email (cstapleton@doe.vi), if you have any questions concerning the information provided.

Sincerely,

Clinton Stapleton, Ph.D.
State Director, Office of Instructional Technology

CC: Dr. Lauren Larsen, Acting Education Commissioner
Ms. Leslie Turner, Counsel to the VIDE
Ms. Sharon Amey, VIDE Internal Auditor
Mr. Mike Skucius, COO, JDL Technologies, Inc.

ATTACHMENTS:

No. 1 – FRN 1181889 Service Substitution Request Dated 9/28/2006
No. 2 – SLD Service Substitution Approval Letter Dated 02/13/2007

**V. I. DEPARTMENT OF EDUCATION
RESPONSE TO COMPLIANCE QUESTIONS**

To: Adrian Sewdat - Program Compliance
Universal Services Administrative Company
Schools and Library Division

From: Dr. Clinton Stapleton,
State Director Office of Instructional Technology
V.I. Department of Education

Date: August 23, 2007

**RE: ELIGIBILITY QUESTIONS
USAC Letter Dated August 17, 2007
Application Number 426832
FRN number 1181821**

Additional information was requested by the Program Compliance team to review Funding Year 2004 Form 471 application and ensure that it is in compliance with the rules of the Universal Service Program. We have been working with our Service Provider JDL Technologies, Inc. (JDL) on a satisfactory response to your questions regarding the V. I. Department of Education (VIDE) Year 7 VOIP Project funding. However, in order to complete our response, which includes identification of associated Design, Installation, Technical Training, Maintenance, Program Management, and Shipping & Customs costs with the 7100 Management Access Point, we need additional clarification on your eligibility determination.

HISTORY:

The Year 7 project was amended last year to include 26 Mitel Management Access Points. The additional equipment was included in the Service Substitution Request dated September 28, 2006 filed with the SLD. See Attachment No. 1. Esther Hung, Service Substitutions & Technical Services, reviewed the substitution request. The request was approved by the SLD on October 31, 2006, including the Mitel 7100 Management Access Points. See Attachment No. 2.

SLD DETERMINATIONS OF ELIGIBILITY:

The SLD confirmed the eligibility of the Management Access Points through the issuance of the October 31, 2006 Service Substitution approval letter. In addition, the SLD also confirmed the conditional eligibility of the Management Access Points in a March 29, 2005 SLD email communication to Mitel. See Attachment No. 3. On August 19, 2004, Mitel submitted the following eligibility clarification request to the SLD:

The Mitel 7100 Management Access Point is a Gateway for remotely administering, monitoring and servicing Mitel PBXs. It also includes an embedded firewall to protect the client's network. The 7100 is primarily utilized under maintenance contracts so that service technicians can access the PBXs to troubleshoot, repair and make configuration changes. The 7100 prevents access to the clients LAN or WAN only allowing secure access to the clients PBXs. Please note:

1. The 7100 is only used by technicians to remotely access the PBXs as a part of Maintenance Contracts. This enables our technicians to provide basic technical support.
2. The 7100 is capable of monitoring the clients PBX systems, but there is an additional cost to enable monitoring functionality of the 7100.
3. The 7100 is necessary to allow our technicians to repair and upkeep the eligible PBX Hardware and to make configuration changes.

Therefore, we believe the 7100 to be fully eligible for an Erate discount but would like the SLD to clarify.

In response, the SLD stated that the "Mitel 7100 Management Access Point (MAP) is a gateway for remotely accessing, monitoring, and servicing Mitel ICP and traditional PBX systems over public broadband and PSTN connections." As a result, the SLD concluded that:

As a component used in conjunction with basic maintenance, the Mitel 7100 Management Access Point is conditionally eligible. Basic maintenance services are eligible if they are a component of a maintenance agreement/contract for an eligible service or product, and these maintenance services are cost effective.

Since the SLD's 2005 eligibility determination, Mitel has maintained that the Management Access Points are eligible, provided the equipment is used for maintenance services, and not for ineligible management and monitoring. Mitel has also confirmed that the conditional eligibility is noted in the Mitel Eligibility Summaries filed with the SLD, including the most recent summary filed in April, 2007.

ANALYSIS:

The SLD never questioned the VIDE on the proposed use of the Management Access Points during the Year 7 Service Substitution Request review. Nevertheless, the functionality of the VIDE installed Management Access Points meets the conditions outlined in the Mitel eligibility request submitted in 2004. The VIDE Management Access Points are used exclusively for basic maintenance and repair, and are not used to perform any ineligible network management or monitoring functions. The Management Access Points serve as "gateways" for remotely accessing and servicing Mitel ICP and system installed in the Territory. Moreover, the VIDE did not purchase the software or licenses required for the 7100 Management Access Points to perform ineligible management and monitoring functions.

Because the Mitel 7100 Management Access Point is used as a “gateway”, the eligibility of the component is also indicated in the 2006 Eligible Services List. The function of the equipment, not the product name, determines E-Rate eligibility. Therefore, the fact that the Management Access Points can be used to perform ineligible management and monitoring functions should not result in a determination of ineligibility if the gateway is used only for an eligible purpose, as in the present case.

REQUESTED RELIEF:

Based on the foregoing, we believe that the VIDE’s Mitel 7100 Management Access Points are eligible for funding and respectfully request that the Year 7 funding eligibility be reconsidered. The fact that funding was expressly approved for the purchase and installation of the Management Access Points, the equipment is eligible for maintenance funding as well. In the alternative, to the extent the ineligibility determination is upheld, we hereby request that we be allowed additional time to amend our Year 7 funding request to remove the Management Access Points and associated services costs from the FRN 1181821.

Please do not hesitate to contact me. I can be reached at either 340-774-0100 (office), 340-643-9621(cell), or by email (cstapleton@doe.vi), if you have any questions concerning the information provided.

Sincerely,

Clinton Stapleton, Ph.D.
State Director, Office of Instructional Technology

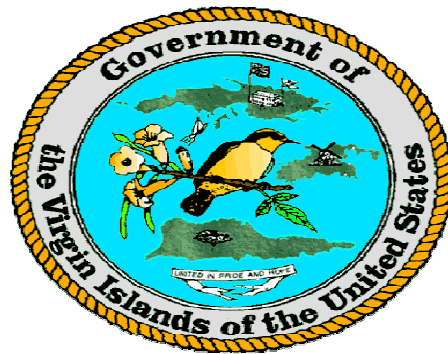
CC: Dr. Lauren Larsen, Acting Education Commissioner
Ms. Leslie Turner, Counsel to the VIDE
Ms. Sharon Amey, VIDE Internal Auditor
Mr. Mike Skucius, COO, JDL Technologies, Inc.

ATTACHMENTS:

No. 1 Service Substitution Request dated September 28, 2006
No. 2 SLD Service Substitution Approval Letter
No. 3 SLD Email Re: Conditional Eligibility sent March 29, 2005

Eligible Service List - See P. 35 (Internal Connections) - Schools and Libraries’ Eligible Services List for Funding Year 2006.

FCC Form 471
Program Integrity Assurance Response



Virgin Islands Department of Education
Funding Year 2004

Application Number: 426832
Submitted Date: September 12, 2007
Submitted By: Clinton Stapleton, Ph.D., Director
Office of Instructional Technology

Form 471 Application Number: 426832
Question Number: 1
Funding Request Number(s): 1181821
Question Topic: Equipment Eligibility

Question

For FRN 1181821, the documentation provided in the **Service Substitution** indicates that the **Design, Installation, Delivery, Technical Training cost of \$314,028.00, Maintenance cost of \$35,628.00, Program Management cost of \$106,740.00, and Shipping and Customs cost of \$3,420.00** was associated with the following ineligible item: **7100 Management Access Point E/M/S/U NA**. According to program rules, USAC is unable to fund ineligible products or services. The charges associated with ineligible items must be identified and removed. Please provide documentation identifying the charges associated with the ineligible item identified above.

If you are unable to identify the costs associated with the ineligible item within 15 days, the entire FRN amount may be considered ineligible and may be denied.

If the documentation does not specifically delineate the costs of the products and services, please provide information setting forth how the costs are allocated between eligible and ineligible entities. Such a cost allocation must be based on tangible criteria and reach a realistic result.

For further information, see “Cost Allocation Guidelines for Products and Services” located in the Reference Area of the SLD Web site at: <http://www.universalservice.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Please indicate below how much of **Design, Installation, Delivery, Technical Training cost of \$314,028.00, Maintenance cost of \$35,628.00, Program Management cost of \$106,740.00, and Shipping and Customs cost of \$3,420.00** is associated with the following ineligible item: **7100 Management Access Point E/M/S/U NA**.

Associated Items with the ineligible 7100 Management Access Point E/M/S/U NA	Associated Cost of Items associated with the ineligible 7100 Management Access Point E/M/S/U NA
Design, Installation, Delivery, Technical Training cost of \$314,028.00	
Maintenance cost of \$35,628.00	
Program Management cost of \$106,740.00	
Shipping and Customs cost of \$3,420.00	

Response

In good faith the Virgin Islands Department of Education (applicant) and JDL Technologies (service provider) have been complying with all applicable E-rate rules. The SLD issued a funding commitment, the Virgin Islands DOE filed the Form 486, JDL delivered the approved products and the SLD has begun receiving invoices. The SLD has even approved a product substitution in connection with this funding request. This funding request has been reviewed multiple times and the Virgin Islands DOE is only now being informed that there is the possibility that the funding request contains ineligible items. Without further guidance and information from the SLD, the Virgin Islands DOE and JDL cannot adequately address USAC’s newfound concerns. The Virgin Islands DOE and JDL have already provided the SLD with an explanation as to

why the products are eligible. The Virgin Islands DOE received the questions a second time, but without any further guidance or explanation as to the information the SLD is looking for.

At this time, the Virgin Islands DOE is requesting further guidance as to which features of the above listed product(s) USAC no longer considers eligible for e-rate funding. In an effort to continue to be responsive to USACs requests, please find further information regarding the eligibility of the items in question listed below in both question one and two:

As detailed in our previous response, we believe the Mitel 7100 Management Access Point to be eligible for E-rate support as originally committed by USAC. The 2004 Eligible Services List states the following:

Remote access components, such as a remote access router or communications server, provide one or more interfaces that allow dial-up or remote access to a network. Components that are capable of providing remote access can be eligible if steps are taken to ensure that only eligible entities, from eligible locations, will have the capability to access them.

The 7100 Management Access Point provides technicians the ability to configure the Mitel system without need of physical access to the system (e.g. from a remote location.) From Mitel's documentation:

The Mitel MAP provides remote support engineers with secure dial-up network access to selected equipment on a customer's network.

Because the Mitel MAP is a component that enables remote access to Mitel communications systems for the purposes of setup and configuration, we believe that it should be 100% eligible for E-rate funding as committed. Therefore, we believe that no cost-allocation of the design, installation, delivery, technical training, maintenance, program management, shipping, and customs cost(s) is necessary.

Form 471 Application Number: 426832
Question Number: 2
Funding Request Number(s): 1181889
Question Topic: Equipment Eligibility

Question

Based on documentation that you have provided, we have determined that FRN 1181889 includes ineligible items. According to program rules, USAC is unable to fund ineligible products or services. The charges associated with ineligible items must be identified and removed. Listed below are the ineligible items and their associated costs:

<i>Name of the Products or Services</i>	<i>Associated Cost</i>
7100 Management Access Point E/M/S/U NA	\$68,265.34
Design, Installation, Delivery, Technical Training cost of \$314,028.00	Please input associated \$_____ of Design, Installation, Delivery, Technical Training cost of \$314,028.00 associated with the ineligible item 7100 Management Access Point E/M/S/U NA in Question 1.
Maintenance cost of \$35,628.00	Please input associated \$_____ of Maintenance cost of \$35,628.00 associated with the ineligible item 7100 Management Access Point E/M/S/U NA in Question 1.
Program Management cost of \$106,740.00	Please input associated \$_____ of Program Management cost of \$106,740.00 associated with the ineligible item 7100 Management Access Point E/M/S/U NA in Question 1.
Shipping and Customs cost of \$3,420.00	Please input associated \$_____ of Shipping and Customs cost of \$3,420.00 associated with the ineligible item 7100 Management Access Point E/M/S/U NA in Question 1.

Please confirm that you agree with the cost allocation and the ineligible item(s) should be removed from the FRN.
_____ Yes or _____ No

What to do if you disagree

Option I

If you do not agree with the cost allocation, provide an alternative cost allocation identifying the cost(s) for the ineligible item(s). Such a cost allocation must be based on tangible criteria and reach a realistic result. For further information, see "Cost Allocation Guidelines for Products and Services" located in the Reference Area of the SLD Web site at: <http://www.universalservice.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Option II

If you do not agree with our eligibility assessment of your product(s)/service(s), then you may provide third party supporting documentation (e.g., vendor bill, contract, service agreement, etc.) to show why this product(s)/service(s) is eligible.

Response

In an effort to continue to be responsive to USACs requests, please find further information regarding the eligibility of the items in question:

As detailed in our previous response, we believe the Mitel 7100 Management Access Point to be eligible for E-rate support as originally committed by USAC. The 2004 Eligible Services List states the following:

Remote access components, such as a remote access router or communications server, provide one or more interfaces that allow dial-up or remote access to a network. Components that are capable of providing remote access can be eligible if steps are taken to ensure that only eligible entities, from eligible locations, will have the capability to access them.

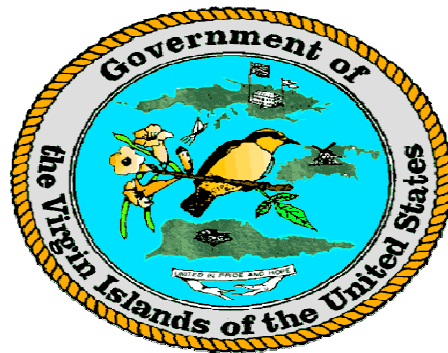
The 7100 Management Access Point provides technicians the ability to configure the Mitel system without need of physical access to the system (e.g. from a remote location.) From Mitel's documentation:

The Mitel MAP provides remote support engineers with secure dial-up network access to selected equipment on a customer's network.

Because the Mitel MAP is a component that enables remote access to Mitel communications systems for the purposes of setup and configuration, we believe that it should be 100% eligible for E-rate funding as committed. Therefore, we believe that no cost-allocation of the design, installation, delivery, technical training, maintenance, program management, shipping, and customs cost(s) is necessary.

Thank you for your time and consideration of this matter. If other specific information is required for any of the FRNs listed above, please respond with further guidance so that both JDL Technologies and the Virgin Islands DOE can respond appropriately.

FCC Form 471
Program Integrity Assurance Response



Virgin Islands Department of Education
Funding Year 2004

Application Number: 426832
Submitted Date: September 12, 2007
Submitted By: Clinton Stapleton, Ph.D., Director
Office of Instructional Technology

Form 471 Application Number:	426832
Question Number:	1
Funding Request Number(s):	1181889
Question Topic:	Equipment Eligibility

Question

For FRN 1181889, the documentation provided in **Service Substitution** indicates that the **Design/Install/Config Inst Vid Dis System cost of \$45,170.00** was associated with the following ineligible items: *Live Furnace VF Live Software, VF3-Now, and VF3-Station Manager bundle*. According to program rules, USAC is unable to fund ineligible products or services. The charges associated with ineligible items must be identified and removed. Please provide documentation identifying the charges associated with the ineligible item identified above.

If you are unable to identify the costs associated with the ineligible item within 15 days, the entire FRN amount may be considered ineligible and may be denied.

If the documentation does not specifically delineate the costs of the products and services, please provide information setting forth how the costs are allocated between eligible and ineligible entities. Such a cost allocation must be based on tangible criteria and reach a realistic result.

For further information, see “Cost Allocation Guidelines for Products and Services” located in the Reference Area of the SLD Web site at: <http://www.universalservice.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Please indicate below how much of **Design/Install/Config Inst Vid Dis System cost of \$45,170.00** is associated with the following ineligible items: *Live Furnace VF Live Software, VF3-Now, and VF3-Station Manager bundle*.

\$ _____

Response

In good faith the Virgin Islands Department of Education (applicant) and JDL Technologies (service provider) have been complying with all applicable E-rate rules. The SLD issued a funding commitment, the Virgin Islands DOE filed the Form 486, JDL delivered the approved products and the SLD has begun receiving invoices. The SLD has even approved a product substitution in connection with this funding request. This funding request has been reviewed multiple times and the VI Department of Education is only now being informed that there is the possibility that the funding request contains ineligible items. Without further guidance and information from the SLD, the Virgin Islands DOE and JDL cannot adequately address USAC’s newfound concerns. The Virgin Islands DOE and JDL have already provided the SLD with an explanation as to why the products are eligible. The Virgin Islands DOE received the questions a second time, but without any further guidance or explanation as to the information the SLD is looking for.

At this time, the Virgin Islands DOE is requesting further guidance as to which features of the above listed product(s) USAC no longer considers eligible for e-rate funding.

In an effort to continue to be responsive to USACs requests, please find further information regarding the eligibility of the items in question in the following responses:

As detailed in our previous response, we believe that the Live Furnace VF-Live! Software, VF3-Now! On Demand Server and VF3-Station Manager Server are eligible for E-rate support as originally committed by USAC. All three products satisfy the eligibility conditions stated for a Video Encoder and MCU in the 2004 Eligible Services List:

Master Control Unit

A Master Control Unit (MCU) is a device that controls the main operating functions of a video system. An MCU is eligible for discount.

MPEG Video Encoder

MPEG Video Encoder is a device similar to a CODEC that converts analog signals to compressed MPEG. See the entry for CODEC for eligibility conditions.

A CODEC (“coder/decoder”) is a device comprising an encoder and decoder in the same equipment. The CODEC produces a coded output and compresses and decompresses audio and video signals. A CODEC is eligible for discount.

The three products in question perform the functions listed above in slightly different manners. The VF-Live Software enables MPEG encoding of **live video sources** which are then distributed to one or more end-users. The VF3-Now! server and software encodes and distributes **previously prepared content** “on-demand;” that is, upon a user request the system encodes and distributes content to end-user workstations on an individual basis. The VF3-Station Manager bundle functions as an MCU, allowing the distribution of a single encoded stream to multiple end-users simultaneously.

Because the three products in question perform MCU and CODEC functionality, we believe that they should be eligible for support as committed. Furthermore, we believe that no cost-allocation of the design, installation, and configuration charges associated with these products is necessary.

Form 471 Application Number: 426832
Question Number: 2
Funding Request Number(s): 1181889
Question Topic: Equipment Eligibility

Question

Based on documentation that you have provided, we have determined that FRN 1181889 includes ineligible items. According to program rules, USAC is unable to fund ineligible products or services. The charges associated with ineligible items must be identified and removed. Listed below are the ineligible items and their associated costs:

<i>Name of the Product and Services</i>	<i>Associated Cost</i>
<i>Live Furnace VF-Live! Software</i>	<i>\$55,344.00</i>
<i>VF3-Now! – System 3 On Demand Server Bundle w/License Manager</i>	<i>\$99,216.00</i>
<i>VF3-Station Manager Server Bundle</i>	<i>\$31,176.00</i>
Design/Install/Config Inst Vid Dis System	<i>Please input the cost allocation from question 1. \$_____</i>

Please confirm that you agree with the cost allocation and the ineligible item(s) should be removed from the FRN.
_____ Yes or _____ No

What to do if you disagree

Option I

If you do not agree with the cost allocation, provide an alternative cost allocation identifying the cost(s) for the ineligible item(s). Such a cost allocation must be based on tangible criteria and reach a realistic result. For further information, see “Cost Allocation Guidelines for Products and Services” located in the Reference Area of the SLD Web site at: <http://www.universalservice.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Option II

If you do not agree with our eligibility assessment of your product(s)/service(s), then you may provide third party supporting documentation (e.g., vendor bill, contract, service agreement, etc.) to show why this product(s)/service(s) is eligible.

Response

In an effort to continue to be responsive to USACs requests, please find further information regarding the eligibility of the items in question:

As detailed in our previous response, we believe that the Live Furnace VF-Live! Software, VF3-Now! On Demand Server and VF3-Station Manager Server are eligible for E-rate support as originally committed by USAC. All three products satisfy the

eligibility conditions stated for a Video Encoder and MCU in the 2004 Eligible Services List:

Master Control Unit

A Master Control Unit (MCU) is a device that controls the main operating functions of a video system. An MCU is eligible for discount.

MPEG Video Encoder

MPEG Video Encoder is a device similar to a CODEC that converts analog signals to compressed MPEG. See the entry for CODEC for eligibility conditions.

A CODEC (“coder/decoder”) is a device comprising an encoder and decoder in the same equipment. The CODEC produces a coded output and compresses and decompresses audio and video signals. A CODEC is eligible for discount.

The three products in question perform the functions listed above in slightly different manners. The VF-Live Software enables MPEG encoding of **live video sources** which are then distributed to one or more end-users. The VF3-Now! server and software encodes and distributes **previously prepared content** “on-demand;” that is, upon a user request the system encodes and distributes content to end-user workstations on an individual basis. The VF3-Station Manager bundle functions as an MCU, allowing the distribution of a single encoded stream to multiple end-users simultaneously.

Because the three products in question perform MCU and CODEC functionality, we believe that they should be eligible for support as committed. Furthermore, we believe that no cost-allocation of the design, installation, and configuration charges associated with these products is necessary.

Thank you for your time and consideration of this matter. If other specific information is required for any of the FRNs listed above, please respond with further guidance so that both JDL Technologies and the Virgin Islands DOE can respond appropriately.